

CONFIDENTIAL BUSINESS INFORMATION

One Hartford Plaza, T-7-92
Hartford, CT 06155
T (860) 547 5000



January 14, 2011

RECEIVED

JAN 24 2011

SENT VIA FIRST CLASS MAIL

MILLER NASH LLP

Steven F. Hill, Esq.
Miller Nash
500 East Broadway, Suite 400
Vancouver, WA 98660-3324

Re: Policyholders: See Attached Exhibit A
Insurers: See Attached Exhibit A
Policies: See Attached Exhibit A
Claim: 104(e) letter from the EPA for the Lower Duwamish
Waterway Superfund Site

Dear Mr. Hill:

This letter acknowledges New England Reinsurance Corporation's, First State Insurance Company's, Twin City Fire Insurance Company's and London and Edinburgh Insurance Company, Ltd's (collectively Hartford) receipt of your December 17, 2011 letter (hereinafter, "Letter") advising of the above-captioned matter. Please continue to forward all future correspondences regarding this matter to my attention.

According to the Letter, you advised that Kaiser Cement Corporation ("Kaiser") received a request for information from the United States Environmental Protection Agency ("EPA"), in a letter dated February 19, 2010, that was served on Kaiser pursuant to section 104(e) of CERCLA and 42 U.S.C. section 9604(e). You further advised that the request for information stems from Kaiser's historical ownership and operations on Riparian property Kaiser allegedly owned or performed operations on along the Lower Duwamish Waterway in Seattle, Washington. According to the Letter, a preliminary response was filed by Kaiser on June 23, 2010 and that you expect to supplement and complete Kaiser's response to the EPA's 104(e) letter over the next few months.

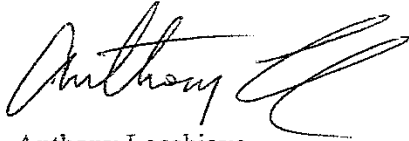
At this time, it appears that no claim has been asserted against Kaiser by the EPA or any other third-party and that this is a notice of a potential claim only. Since this is just a notice of a potential claim, Hartford will take no further action at this time. If this information is incorrect or should this mature into a claim, please contact Hartford as soon as possible.

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Hartford reserves the right to rely upon the terms, conditions, and exclusions of the above-referenced policies, whether or not mentioned herein, to deny coverage for this claim. Hartford reserves all of its rights in this matter. Nothing in this letter shall be construed as a waiver of Hartford's rights under the referenced policies, or any other policies, issued to Kaiser.

Should you have any questions or comments, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Anthony Loschiavo", with a stylized flourish at the end.

Anthony Loschiavo
Complex Claim Group
One Hartford Plaza, T-7-92
Hartford, CT 06155
Phone (860) 547-8416
Fax (877) 905-0403
Email: anthony.loschiavo@thehartford.com

KG2004548

Exhibit A

Policyholder: Permanente Cement Company, et al
Insurer: London & Edinburgh
Policies: LC 71361 (09/15/1962 – 09/15/1963)
LO 61715 (09/15/1962 – 09/15/1963)
LC 91671 (09/15/1963 – 09/15/1964)

Policyholder: Kaiser Cement & Gypsum Corporation
Insurer: New England Reinsurance Corporation
Policies: 684196 effective 10/01/78-04/01/79
684465 effective 04/01/79-04/01/80

Policy Holder: Kaiser Cement Corporation, et al
Insurer: Twin City Fire Insurance Company
Policies: TXS 100347 effective 04/01/82-04/01/83

Policy Holder: Kaiser Cement & Gypsum Corporation
Insurer: First State Insurance Company
Policies: 914646 effective 10/01/77-11/11/77
907085 effective 10/01/77-10/01/78
941233 effective 04/01/83-05/01/84
933596 effective 04/01/83-05/01/84
933597 effective 04/01/83-05/01/84
933598 effective 04/01/83-05/01/84